

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

NASHVILLE, TENNESSEE

April 17, 2002

IN RE:

**PETITION OF ON-SITE SYSTEMS, INC. TO AMEND ITS
CERTIFICATE OF CONVENIENCE AND NECESSITY**

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**DOCKET NO.
02-00055**

**ORDER APPROVING PETITION OF ON-SITE SYSTEMS, INC.
TO AMEND ITS CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

This matter came before the Tennessee Regulatory Authority (the "Authority") at a regularly scheduled Authority Conference held on March 26, 2002 to consider the Petition (the "Petition") of On-Site Systems, Inc. ("On-Site") to amend its Certificate of Public Convenience and Necessity ("CCN") to expand its service area to include an area known as the Gnatty Branch Retreat ("Gnatty Branch") in Sevier County, Tennessee.

Legal Standard for Granting CCN

On-Site's Petition was made pursuant to and was considered in light of the criteria for granting a CCN as set forth in Tenn. Code Ann. § 65-4-201, which provides, in pertinent part:

(a) No public utility shall establish or begin the construction of, or operate any line, plant, or system, or route in or into a municipality or other territory already receiving a like service from another public utility, or establish service therein, without first having obtained from the authority, after written application and hearing, a certificate that the present or future public convenience and necessity require or will require such construction, establishment, and operation, and no person or corporation not at the time a public utility shall commence the construction of any plant, line, system or route to be operated as a public utility, or the operation of which would constitute the same, or the owner or operator thereof, a public utility as defined by law, without having first obtained, in like manner, a similar certificate . . .

Background

On April 4, 1994, On-Site received a CCN in Docket No. 93-09040 from the Tennessee Public Service Commission to provide wastewater service to the Oakwood Subdivision in Maury County. Since that time, through various other dockets, On-Site has been granted approval to expand its service territory to include other areas in Tennessee.

Petition to Amend CCN

On January 17, 2002, On-Site filed its Petition to amend its CCN to expand its service area to include Gnatty Branch. A map showing the area to which On-Site proposes to extend service is attached to its Petition. In its Petition, On-Site states that neither the City of Pigeon Forge nor Sevier County has the desire or ability to provide wastewater service to Gnatty Branch. With its Petition, On-Site submitted a letter dated December 13, 2001 from Earlene M. Teaster, City Manager of Pigeon Forge, stating that the City has no plans to extend sewer service to Gnatty Branch. In addition, On-Site submitted a letter dated December 28, 2001 from Larry Waters, County Executive of Sevier County, stating that Sevier County does not have plans to provide wastewater service to Gnatty Branch.

On-Site filed a rate schedule with its Petition in this docket which states that residential rates for Gnatty Branch will be as follows:

Total monthly charge	\$35.11
Non-payment fee	5% of monthly charge
Disconnection fee	\$10
Reconnection fee	\$15
Returned check fee	\$20
Access fee	\$84/year

This rate schedule comports with the rate schedule for On-Site approved by the Authority in Docket No. 99-00393 on January 11, 2000. The Petition states that Gnatty Branch includes only residential customers; therefore, On-Site did not file any commercial rate schedules.

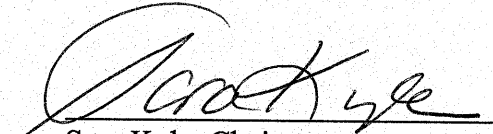
On March 26, 2002, On-Site's Petition came before the Authority at a regularly

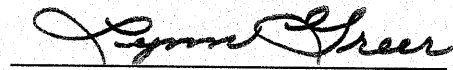
scheduled Authority Conference. Upon consideration of the Petition and the entire record, the Authority finds that the present and future public convenience and necessity require the approval of On-Site's Petition. Pursuant to Tenn. Code Ann. § 65-4-201, the Authority grants On-Site's Petition.

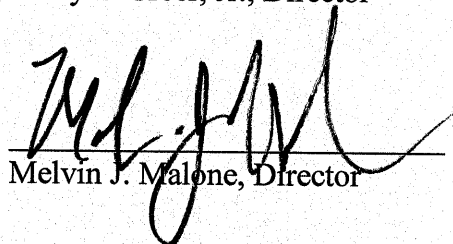
IT IS THEREFORE ORDERED THAT:

1. The Petition of On-Site Systems, Inc. to amend its Certificate of Public Convenience and Necessity to expand its service area to include an area known as the Gnatty Branch Retreat in Sevier County, Tennessee, as shown in the map attached to the Petition, is approved.


2. On-Site's rates for wastewater service to the Gnatty Branch Retreat shall be as listed in the rate schedule filed with On-Site's Petition and as set forth in this Order.


Sara Kyle, Chairman


H. Lynn Greer, Jr., Director


Melvin J. Malone, Director

ATTEST:


K. David Waddell, Executive Secretary